

**MINUTES**  
**CHINO BASIN WATERMASTER**  
**NON-AGRICULTURAL POOL MEETING**

June 9, 2016

The Non-Agricultural Pool meeting was held at the offices of Chino Basin Watermaster and via conference call using the Chino Basin Watermaster conference call number on June 9, 2016.

**NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER**

Brian Geye, Chair	Auto Club Speedway
Bob Bowcock, Vice-Chair	Calmat Company (Vulcan Materials)

**NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL**

David Penrice	Aqua Capital Management LP
Ken Jeske	California Steel Industries (CSI)
Tom O'Neill	Ontario City Non-Agricultural
Bob Page	San Bernardino County

**WATERMASTER STAFF PRESENT AT WATERMASTER**

Peter Kavounas	General Manager
Joseph Joswiak	Chief Financial Officer
Anna Truong	Recording Secretary
Janine Wilson	Recording Secretary
Justin Nakano	Water Resources Senior Associate
Frank Yoo	Water Resources Senior Associate

**WATERMASTER CONSULTANTS PRESENT AT WATERMASTER**

Andy Malone	Wildermuth Environmental, Inc.
Brad Herrema	Brownstein Hyatt Farber Schreck, LLP

**NON-AGRICULTURAL POOL LEGAL COUNSEL PRESENT ON CALL**

Allen Hubsch	Hogan Lovells US, LLP
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**OTHERS PRESENT AT WATERMASTER**

Pete Hall	State of California – CIM
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**OTHERS PRESENT AT ON CALL**

Ramsey Haddad	California Steel Industries (CSI)
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**CALL TO ORDER**

Chair Geye called the Non-Agricultural Pool meeting to order at 11:00 a.m.

**ROLL CALL**

Ms. Wilson conducted the roll call.

**AGENDA – ADDITIONS/REORDER**

(0:02:57) Mr. Ken Jeske requested for the meeting to be adjourned in Mr. Gene Koopman's honor; Chair Geye acknowledged.

**I. BUSINESS ITEMS - ROUTINE****A. MINUTES**

1. Minutes of the Non-Agricultural Pool Meeting held May 12, 2016

(0:03:30)

*Motion by Mr. Ken Jeske, seconded by Mr. Bob Bowcock. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to receive and file Business Item I.A. as presented.***

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of April 2016
2. Watermaster VISA Check Detail for the month of April 2016
3. Combining Schedule for the Period July 1, 2015 through April 30, 2016
4. Treasurer's Report of Financial Affairs for the Period April 1, 2016 through April 30, 2016
5. Budget vs. Actual Report for the Period July 1, 2015 through April 30, 2016

(0:03:51)

*Motion by Mr. Bob Bowcock, seconded by Mr. Ken Jeske. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to receive and file Business Item I.B. without approval as presented.***

**C. CHINO BASIN WATERMASTER 37<sup>TH</sup> ANNUAL REPORT**

Recommend that the Advisory Committee recommend to the Watermaster Board to adopt the 37<sup>th</sup> Annual Report, along with filing a copy with the Court, subject to any necessary non-substantive changes.

(0:04:47)

*Motion by Mr. Bob Bowcock, seconded by Mr. Bob Page. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to direct the Pool representatives to support Business Item I.C. at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.***

**D. WATER TRANSACTIONS**

1. Notice of Sale or Transfer – The purchase of 2500.000 acre-feet of water from the City of Pomona by Cucamonga Valley Water District. This purchase is made from the City of Pomona's excess carryover account. Date of application: April 28, 2016.
2. Notice of Sale or Transfer – The purchase of 4000.000 acre-feet of water from the City of Chino by Fontana Water Company. This purchase is made from the City of Chino's excess carryover account. Date of application: May 3, 2016.
3. Notice of Sale or Transfer – The purchase of 6000.000 acre-feet of water from the City of Chino by Fontana Water Company. This purchase is made from the City of Chino's excess carryover account. Date of application: May 3, 2016.
4. Notice of Sale or Transfer – The purchase of 3500.000 acre-feet of water from the City of Ontario by Fontana Water Company. This purchase is made from the City of Ontario's excess carryover account. Date of application: May 3, 2016.
5. Notice of Sale or Transfer – The purchase of 1000.000 acre-feet of water from the City of Upland by Fontana Water Company. This purchase is made from the City of Upland's excess carryover account. Date of application: May 3, 2016.

(0:05:30)

*Motion by Mr. Bob Bowcock, seconded by Mr. Ken Jeske. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to direct the Pool representatives to support Business Item I.D. at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.***

## **II. BUSINESS ITEMS**

### **A. CHINO BASIN WATERMASTER 2015/16 ASSESSMENT PACKAGE**

Recommend to the Advisory Committee to approve the Fiscal Year 2015/16 Assessment Package as presented, including no credit for Stormwater New Yield and postponing the assessment of Desalter Replenishment Obligation until the Court's consideration of the 2015 Safe Yield Reset Agreement.

(0:05:56) Mr. Kavounas gave a report. A discussion ensued.

(0:08:32)

*Motion by Mr. Ken Jeske, seconded by Mr. Bob Bowcock. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to approve staff recommendation of Business Item II.A. and direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate. In making and adopting the action, the Pool directed that the minutes reflect that the Pool may not be obligated under the Judgment to pay assessments for some of the costs included, that approval of the assessment for these costs (and any other costs which the Pool is not obligated to pay) is and has been voluntary, and that the members of the Pool reserve the right not to approve or pay such assessments in the future.***

### **B. LEVYING REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS**

Review Resolution 2016-08 as presented, and offer advice to Watermaster.

(0:11:48) Mr. Kavounas gave a report. A discussion ensued.

(0:12:31)

*Motion by Mr. Bob Bowcock, seconded by Mr. Ken Jeske. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to direct the Pool representatives to support Business Item II.B. at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.***

**C. SECOND AMENDMENT TO TASK ORDER NO. 1 (2013 RMPU AMENDMENT YIELD ENHANCEMENT PROJECTS – PLANNING, PERMITTING, AND DESIGN)**

Recommend Advisory Committee approval to amend Task Order No. 1 to reduce the Total Budgeted Cost, and to add the Declez project back to the list of projects.

(0:13:04) Mr. Kavounas gave a report.

(0:14:49)

*Motion by Mr. Bob Bowcock, seconded by Mr. Ken Jeske. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to direct the Pool representatives to support Business Item II.C. at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.***

(0:16:22) Abstention by Mr. Tom O'Neill – Ontario City Non-Agricultural

**D. CHINO BASIN WATERMASTER 2016 BUSINESS PLAN (INFORMATION ONLY)**

(0:16:47) Mr. Kavounas gave a report.

**E. MEMBER STATUS CHANGES (For Discussion and Possible Action)**

1. Any proposed transfer of Safe Yield by a Member.
2. Any transfer of Safe Yield that has actually closed or been completed.
3. Any change in name or corporate identity of a Member (such as results from a merger or filing of a change of name certificate).
4. Any change in the name of a representative or alternate representative of a Member, or a change in e-mail address for either such person.

(0:18:48) There were no changes to report.

**III. REPORTS/UPDATES**

**A. LEGAL COUNSEL REPORT**

1. June 24, 2016 Hearing
2. Overlying (Agricultural) Pool Request for Continuance
3. Order re Denial of Related Cases

(0:19:31) Mr. Herrema gave a report.

**B. ENGINEER REPORT**

1. Watermaster Model Update and Required Demonstrations
  - a.— Evaluation of the Cumulative Effects of Transfers
  - b.— Evaluation of the Balance of Recharge and Discharge
  - c.— Assessment of Adequate Replenishment Capacity
2. 2015 annual report to SWRCB on diversions for recharge
3. Technical support for IEUA grant applications
4. Administrative-draft of 2015 annual report of the GLMC

(0:22:44) Mr. Malone gave a report.

**C. CFO REPORT**

1. None

**D. GM REPORT**

1. Volume Vote
2. 2015/16 Water Transactions
3. Recharge Investigations and Projects Committee (RIPCom) Agenda
4. Other

(0:27:17) Mr. Kavounas and Ms. Truong gave a report. Mr. Kavounas added an item regarding payment due dates for the Exhibit "G" water transactions between Non-Agricultural and Appropriative Pool parties. A discussion ensued.

**IV. INFORMATION**

1. Cash Disbursements for May 2016
2. Recharge Investigations and Projects Committee (RIPCom)

**V. POOL MEMBER COMMENTS**

None

**VI. OTHER BUSINESS**

(0:33:44) Mr. Ken Jeske shared thoughts in remembrance of Mr. Gene Koopman.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Chair Geye called for a Confidential Session at 11:39 a.m. to discuss the Safe Yield Reset Court hearing date change. Confidential Session concluded at 11:45 a.m. with no reportable action.

(0:35:17) Chair Geye requested for the May 12, 2016 meeting minutes to reflect additional language in the motion for Business Item II.B., the Fiscal Year 2016/17 Budget, as was done in the prior year. Pool Counsel to send staff the exact language for incorporation and the Pool approved the minutes subject to the change as noted.

**ADJOURNMENT**

Chair Geye adjourned the Non-Agricultural Pool meeting at 11:47 a.m. in Mr. Gene Koopman's memory.

Secretary: \_\_\_\_\_

Approved: \_\_\_\_\_ July 14, 2016